

MASSACHUSETTS: EXPORTS, JOBS, AND FOREIGN INVESTMENT

Exports Mean Jobs for Massachusetts's Workers

- Export-supported jobs account for an estimated 6.3 percent of Massachusetts's total private-sector employment (roughly one of every 16 jobs). This is slightly below the national-level average of 6.5 percent (one of every 15 jobs). (2001 data latest available)
- Massachusetts's manufacturing sector ranks fourth among the states in terms of reliance on exports. Over one-fourth (26.0 percent) of all manufacturing workers in Massachusetts depend on exports for their jobs. This is well above the national-level share of manufacturing workers supported by exports (20.5 percent). (2001 data latest available)

Note: Export-related jobs estimates include only jobs supported by exports of manufactured goods; jobs generated by exports of services are excluded. Consequently, the numbers understate the total employment impact of exports.

Source: State Export-Related Employment Project, International Trade Administration & Census Bureau.

Exports Help Sustain Many Thousands of Massachusetts Firms—Small As Well As Large

- A total of 11,212 companies exported goods from Massachusetts in 2001. Of those, 88 percent were small and medium-sized enterprises with fewer than 500 employees.
- In 2001, some 9,818 small and medium-sized companies exported from a Massachusetts location, ranking the state tenth nationally in this category.
- Small and medium-sized firms generated over one-fourth (28.4 percent) of Massachusetts's total exports of merchandise in 2001.

Source: Exporter Data Base, International Trade Administration & Census Bureau

Economic Globalization: A Two-Way Street for Massachusetts

- In 2002, majority-owned affiliates of foreign companies employed 191,000 workers in Massachusetts, the 11th largest total among the 50 states.
- Nearly one-quarter of these foreign-investment-supported jobs (22 percent, or 41,500 workers) were in the manufacturing sector in 2002.
- Majority-owned affiliates of foreign firms accounted for 13.2 percent—nearly one-seventh—of total manufacturing employment in Massachusetts in 2001.
- Foreign investment in Massachusetts was responsible for 6.9 percent of the state's total private-industry employment in 2001 (roughly one of every 15 jobs).
- Major sources of Massachusetts's foreign-investment-supported jobs in 2002 were the United Kingdom, the Netherlands, Canada, France, and Switzerland.

Note: All figures exclude employment in banks affiliated with foreign companies.

Source: Bureau of Economic Analysis.

Massachusetts Depends on World Markets

- Massachusetts's export shipments of merchandise in 2003 totaled \$18.7 billion, the ninth-largest export figure among the 50 states. This is an 11 percent (\$1.9 billion) increase over the 1999 total of \$16.8 billion, more than double the national growth in merchandise exports of 4.5 percent over this period.
- Massachusetts ranked 11th among the states in terms of dollar growth in exports from 1999-2003.
- Massachusetts exported globally to 201 foreign destinations in 2003. The state's largest market in 2003 was NAFTA member Canada, which accounted for \$2.6 billion (14 percent) of Massachusetts's total merchandise exports. Canada was followed by the Netherlands (\$1.8 billion) and Japan (\$1.6 billion). The state's other top markets included Germany, the United Kingdom, Malaysia, the Philippines, Mexico, France and Singapore.
- Massachusetts's biggest growth market, in dollar terms, is Malaysia. From 1999 to 2003, the state's export shipments to Malaysia increased by \$678 million. Other countries where Massachusetts recorded large gains in the value of exports were the Netherlands (exports up \$601 million), the Philippines (up \$571 million), Germany (up \$570 million), and Costa Rica (up \$296 million).
- Of Massachusetts's 30 top markets, exports to Costa Rica grew the fastest over the 1999-2003 period, increasing more than 1,700 percent—from \$17 million to \$313 million. Over this time span, Massachusetts also more than doubled its exports to Malaysia, Russia, the Philippines, Greece, and Switzerland.
- Manufactured goods make up 95 percent of Massachusetts's exports of goods.
 - Among manufactured products, the state's leading export category is computers and electronic products, which accounted for \$7.7 billion—over 40 percent—of Massachusetts's total merchandise exports in 2003. Other top manufactured exports were chemical manufactures (\$3.2 billion in 2003), machinery manufactures (\$1.7 billion), and miscellaneous manufactures (\$1.6 billion).
 - In terms of dollar growth, Massachusetts's leading manufactured export growth category is chemical manufactures. Export shipments of these products during the 1999-2003 period grew from \$1.4 billion to \$3.2 billion.
 - Other manufactured export categories that registered large dollar growth from 1999 to 2003 were miscellaneous manufactures (up \$645 million), primary metal manufactures (up \$142 million), and processed foods (up \$89 million).
 - In terms of percentage increase, Massachusetts's fastest-growing manufactured export category is chemical manufactures, which increased 137 percent from \$1.4 billion in 1999 to \$3.2 billion in 2003. Other fast-growing manufactured exports during the 1999-2003 period were beverages and tobacco (up 118 percent), petroleum and coal products (up 99 percent) and miscellaneous manufactures (up 70 percent).

Source: Origin of Movement State Export Series, Bureau of the Census.

Caution: The Origin of Movement series allocates exports to states based on transportation origin, i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Consequently, conclusions about "export production" in a state should not be made solely on the basis of the Origin of Movement state export figures.

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